

### **REMARKS**

Claims 1-21 are currently pending in the application. Claims 1, 7, and 8-9 have been amended and claims 11-21 have been added. Proposed changes to the drawings (Figures 2 and 3) have been submitted concurrently herewith under separate cover to correct informalities in the drawings identified by the Examiner. The amendment of claims 1, 7, and 8-9 have been made for clarification purposes only and not for reasons of patentability.

Prior to discussing the rejections of record, a brief explanation of the instant invention is considered warranted. As discussed in the background of the invention, conventional postage meters include a vault that keeps track of the amount of postage funds available within the postage meter. When a user wishes to print a postage indicium on a mailpiece, the value of the postage is entered into the meter by the user and the indicium is printed including the postage value requested. The postage meter accounts for the "dispensed" postage by reducing the funds available within the vault by the dispensed postage amount. However, sometimes the postage meter may malfunction such that a readable postage indicium is not produced on the mailpiece. In this situation, the dispensed postage has been accounted for in the vault of the postage meter but the user cannot mail the mailpiece since it does not have a valid postage indicium thereon. Accordingly, the user would like to get a refund for the postage accounted for but not used.

In prior art postage metering systems, the user had to bring the mailpiece with the improperly printed postage indicium to the post office to obtain a refund. Further, if no indicium was printed (i.e. printer out of ink) there would not even be an improperly marked mailpiece to bring to the post office as evidence that a refund was appropriate. In view of this situation, the Applicant recognized that there needed to be a simpler way to accommodate the payment of refund requests from postage

meter users without requiring physical evidence of the improperly printed postage. On the other hand, if refunds were to be given without question based on a user request, there needed to be some type of control set up to prevent abuse of the system. The Applicant conceived of the concept of a dispute account (shown by way of example and not limitation as numeral 41 in data center 5 of Figure 2) which could be set up for any postage meter to monitor the amount of postage refunded based on requests for refunds related to the operation of a particular postage meter. The dispute account is a counter that is initially set at a threshold value and doesn't necessarily have to be an actual money account. That is, for example, the dispute account can be set by the post office to be set at a value of \$10.00. This isn't actual money but merely a counter that is reduced by the amount of any refunds that are given in connection with a particular meter. Once a refund request amount is received from a particular meter that is greater than the current value in the dispute account, no further refunds will be provided for that postage meter until the dispute account value is reset by the postal authority.

In operation, the system proposed by the Applicant is designed to provide refunds, without question, upon receiving a request until the point is reached when the cumulative amount of refund requests for a particular postage meter exceeds the threshold value in the dispute account. In essence, the post office is taking the word of the user that a refund is due, at least up to the point where the threshold value is exceeded. This system accommodates legitimate requests for refunds while at the same time it minimizes the post office's susceptibility to unscrupulous individuals who might try to request refunds fraudulently. That is, if the dispute account is set at a reasonable threshold value, refunds could be given for fraudulent refund requests, but such losses would be limited by the threshold value and therefore would be acceptable to the post office as a cost of doing business. The Examiner is advised that the dispute account can be an ascending or descending register as discussed on page on page 8 lines 1-8. Further, the dispute account can be a counter that counts the number of times a refund has been requested for a particular meter. In this

situation, the decision as to whether a refund will be given is based on the number of refund requests made and not on any specific dollar value. Thus, the Examiner needs to realize that the dispute account is used to determine whether a refund will be given and is not necessarily a source of funding for the refund itself.

Claims 1-10 stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite. Claim 8 has been amended to correct the antecedent basis problem identified by the Examiner. However, the Examiner's comments with respect to claims 1, 7, and 10 are traversed. The claims are directed to the use of a dispute account as discussed above and there is nothing vague or indefinite about any of these claims. One skilled in the art, when referring to the specification, can easily make and use the invention as claimed in claims 1-10 by setting up the refund account and using that account to determine if a refund request should be honored. As discussed above, the dispute account can be a simple counting register that has a threshold value associated with an acceptable amount of refunds or refund requests and does not have to be an actual monetary account from which funds are withdrawn. Thus, the Examiner's comments regarding it not being clear where the refunds are coming from is not relevant to patentability. The claims are directed to the use of the dispute account for determining if a refund request should be honored and initiating such refund if acceptable. The refund itself as set forth in, for example, dependent claims 3, 4, and 5 can be accomplished in a number of different ways. The Applicant is entitled to claim his invention as broad as possible and does not have to set forth in the independent claims the source of the refunded value.

In view of the above, it is submitted that claims 1-10 particularly point out and distinctly claim the subject matter that the Applicant regards as the invention. Withdrawal of this rejection is respectfully requested.

Claims 1-10 stand rejected less than 35 U.S.C. 101 as being directed to non-statutory subject matter. This rejection is respectfully traversed.

As discussed above, the use of the claimed dispute account provides significant advantages to postage meter users and the postal authority in that it

provides a vehicle that permits an easy way for a user to obtain refunds while at the same time protecting the postal service from excessive abuse. Accordingly, the Examiner's comments simply have no merit. It is submitted that claims 1-10 clearly set forth statutory subject matter.

Claims 7-8 stand rejected under 35 U.S.C. 102(e) as being anticipated by EP 927,956. This rejection is respectfully traversed.

As a preliminary matter, a 35 U.S.C. 102(e) rejection cannot be based on a foreign patent or publication, thus the rejection is not proper. However, since the reference appears to be a valid 102(a) reference and the Applicant wishes to expedite the prosecution, the deficiencies of this reference shall be discussed any way.

As previously discussed, the instant invention is directed to providing a refund in, for example, a situation where the postage meter fails to properly print an indicium's on a mail piece but has accounted for the indicium's value anyway. The use of the dispute account as a reference to determine if a refund should be given provides the benefits discussed above. EP '956 on the other hand only discusses a refund in the context of taking a postage meter out of service (see column 3, lines 27-29, column 4 lines 29-33 and column 5 lines 24-35. If a postage meter is taken out of service, the funds currently remaining in the postage meter must be returned to the user. EP '956 shows the communication that takes place between the data center 5 and the postage meter 10 that allows withdrawal of the funds from the postage meter so that they can be refunded to the user. However, the Applicant has not found any reference or teaching in the EP '956 publication that discusses the claimed dispute account and its use in determining if a refund should be provided. EP '956 only shows how the meter sends the withdrawn postage to the data center 5 and how the data center 5 verifies that the postage actually came from a specific postage meter 10 using cryptographic techniques.

In view of the above, it is submitted that the dispute account and its use as set forth in independent claim 7 are neither taught nor suggested by EP '956.

Accordingly, it is respectfully requested that this rejection be withdrawn as it applies to claim 7 and claim 8 which depends therefrom. Further, EP '956 does not show the elements of claim 8 where the refund value is added to the vault of the postage meter. As a matter of fact, EP '956 teaches exactly the opposite where value is removed from the postage meter to be refunded in some other manner.

Claims 7-8 stand rejected under 35 U.S.C. 102(e) as being anticipated by Whitehouse. This rejection is respectfully traversed.

Whitehouse discloses a postage metering system where postage funds are not maintained locally at a postage meter. Rather, a postage meter balance is maintained at a secure central computer 102 for all postage meters. While Whitehouse does discuss the need for providing refunds for misprinted or otherwise unused indicia, it does not provide any mechanism for accomplishing such refund. Rather, Whitehouse simply states that if a refund is requested (such as by turning in a misprinted indicia) the postal service is more likely to give a refund if the Whitehouse system is implemented since all of the raw data is created at the secure computer and thus the authenticity of the misprinted indicium can be ascertained with more confidence. The dispute account structure and its use as set forth in independent claim 7 are neither taught nor suggested by Whitehouse. Further, the specific method of refunding set forth in claim 8 is neither taught nor suggested by Whitehouse.

In view of the above it is submitted that claims 7-8 are neither anticipated by nor rendered obvious in view of Whitehouse.

Claims 1-6 and 9 stand rejected under 35 U.S.C. 103(a) as being unpatentable over EP '956. This rejection is respectfully traversed.

As discussed above, EP '956 does not teach or suggest the dispute account and its use in determining whether a refund request should be honored. The Examiner admits that the dispute account is not taught by EP '956 but then states that it would have been obvious to have modified the postage metering system in EP '956 to provide such claimed features. The Applicant submits that the Examiner

cannot simply state that the claimed features are obvious without pointing to a teaching or suggestion in the applied references to support such position. EP '956 provides no such teaching or suggestion. EP '956 is directed toward a method and apparatus for securely removing funds from a postage meter going out of service. It is not directed to the problem that the Applicant was faced with or the claimed way of solving that problem through the use of the dispute account. Accordingly, it is submitted that independent claim 1 is not rendered obvious by EP '956.

Regarding claims 2-6, they are considered patentable based on their dependency from claim 1 as well as on the combination they create in conjunction with the elements of claim 1. Regarding claim 9, it depends from claim 8, which as discussed above, is neither anticipated by nor rendered obvious in view of EP '956. Accordingly, claim 9 is considered patentable based on its dependency from claim 8.

Claims 1-6 and 9 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Whitehouse. This rejection is respectfully traversed.

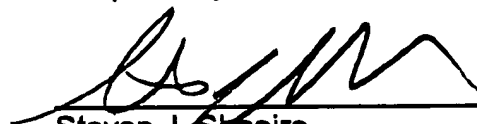
The discussion above with respect to the Whitehouse reference is equally applicable to this rejection. Whitehouse does not teach the use of the claimed dispute account for determining if a refund should be given as set forth in claims 1 and 7. It is submitted that claims 1-6 as well as claim 9 (depends from claim 7) are neither anticipated by nor rendered obvious in view of Whitehouse.

The Applicant also notes that claim 10 was not rejected in view of any art. Since Applicants submit that since the rejections under 35 U.S.C. 112 and 35 U.S.C. 101 are not proper as applied to the instant claims, claim 10 stands in condition for allowance.

In view of the foregoing amendments and following remarks, it is respectfully

submitted that the claims of this application are now in a condition for allowance and favorable action thereon is requested.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Steven J. Shapiro', is written over a horizontal line.

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**Version with Markings to Show Changes Made****In the claims:**

2. **(Amended)** A method for facilitating refunds in a postage metering system, the method comprising the steps of:
- receiving at a computer a request for a refund of a postage amount, the request being associated with a postage meter;
- using the computer for accessing a dispute account database for identifying a dispute account associated with the request;
- determining, via the computer, if a value in the dispute account is acceptable for permitting a refund of the postage amount; and
- at times when the value is determined to be acceptable for permitting the refund of the postage amount, refunding the postage amount to a user of the postage meter.
7. **(Amended)** A postage metering system comprising:
- a postage meter having a vault that accounts for postage dispensed by the postage meter and a processor for controlling operation of the postage meter;
- a data center in communication with the postage meter, the data center having a central processing unit and a dispute account database, the dispute account ~~data-based~~ database having a dispute account associated with the postage meter;
- means for permitting communication between the postage meter and the data center;
- wherein at times when the data center receives a request for a refund of a postage amount ~~from~~ for the postage meter the central processing unit determines if a value in the dispute account is acceptable for permitting a refund of the postage amount and if it is the central processing unit ~~refunds~~ initiates the refunding of the postage amount to a user of the postage meter.



8. A postage meter system as recited in claim 7, wherein ~~the postage meter includes a printing device and~~ the central processing unit refunds the postage amount to the user by sending enabling data useable by the ~~computer~~processor for adding the postage amount to the postage meter vault.

9. A postage metering ~~device~~system as recited in claim 8, wherein the postage meter further includes a printing device that prints a receipt of the postage amount refunded.